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Congress of the United States

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Committee on Education
and the Workforce

Permanent Select Committee
on Intelligence
Ranking Member
Subcommittee on Intelligence Policy

Co-Chair
Children's Environmental Health Caucus
Member
Congressional Arts Caucus
Internet Caucus
Law Enforcement Caucus
Historic Preservation Caucus

Commissioner Mark W. Everson
Internal Revenue Service
1111 Constitutional Avenue NW
Washington, DC 20224

Dear Commissioner Everson:

I am contacting you to express my opposition to a regulation change recently proposed by the Internal Revenue Service that would allow third party tax preparers to sell their clients' private tax information to data brokers and marketers. At a time when Americans are increasingly worried about identity theft and some 10 million citizens are victims of identity theft every year, we should be doing more—not less—to ensure the privacy of personal financial records.

Federal tax returns contain personal and private information. It is information we do not share with our relatives, neighbors, or friends. Why should the government make it possible for that information to be shared with outside marketers and information brokers? That would violate the trust we place in those who help us prepare our taxes.

I am troubled that Reg-137246 and Notice 2005-93 send exactly the wrong message. Rather than protecting personal financial information, the IRS appears willing to make it easy for anyone willing to pay to have access to these records. I know that you understand the awesome responsibility with which the IRS is entrusted, and I would hope that you would require and encourage the same stewardship from third party tax preparers. Personal financial information submitted to tax preparers should be used only to prepare tax returns, not for the purpose of marketing campaigns.

As you know, forty-seven of our nation's Attorneys General, including Zulima V. Farber of New Jersey, have contacted you to share similar concerns about this proposed regulation. I ask that you seriously consider their opposition to this proposal and prohibit tax preparers from disclosing personal tax information to outside individuals or businesses who have nothing to do with the tax preparation process. Due to the potential privacy violations resulting from this rule change, I will be supporting legislation to enact tougher protections for consumer's financial information.

On March 30, 2006, the *New York Times* wrote that this new rule "would send a dark message to law-abiding tax payers: Obeying the law could cost you your privacy." With something as personal as tax returns, it is imperative that we protect the privacy of financial information. This is the wrong message to send. I ask you to abandon this proposal and work to enact tougher privacy protections in the tax filing process.

Sincerely,

RUSH HOLT
Member of Congress